

REGISTRAR OF COMPANIES COPY

HAMMY MEDIA LIMITED

FINANCIAL STATEMENTS

31 December 2018

Πιστόν αντίγραφον των λογαριασμών που εγκρίθηκαν στην
γενική συνέλευση



HAMMY MEDIA LIMITED

FINANCIAL STATEMENTS

31 December 2018

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HAMMY MEDIA LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Mardiros Haladjian

Company Secretary: Vintelli Nominee Services Limited
79 Spyrou Kyprianou Avenue
Protopapas Building, office 201
3021 Limassol

Independent Auditors: Priamus Audit Limited
Certified Public Accountants and Registered Auditors
75 Prodromou Avenue
OneWorld Parkview House
2nd floor
2063 Nicosia

Registered office: 79 Spyrou Kyprianou Avenue
Protopapas Building, office 201
3021 Limassol

Independent Auditor's Report

To the Members of Hammy Media Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hammy Media Limited (the "Company") which are presented in pages 5 to 17 and comprise the statement of financial position as at 31 December 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Hammy Media Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

To the Members of Hammy Media Limited

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (continued)

To the Members of Hammy Media Limited

Report on the Audit of the Financial Statements

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

John Mavrokordatos
Certified Public Accountant and Registered Auditor
for and on behalf of
Priamus Audit Limited
Certified Public Accountants and Registered Auditors

Nicosia, 14 April 2020

HAMMY MEDIA LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 December 2018

	Note	2018 US\$	2017 US\$
Revenue			
Cost of sales	5	281.815 (6.377)	352.257 (24.419)
Gross profit		275.438	327.838
Other income	6	74	-
Administration expenses		(7.008)	(30.381)
Operating profit		268.504	297.457
Net finance (costs) / income	8	(5.911)	15.558
Net profit for the year		262.593	313.015
Other comprehensive income		-	-
Total comprehensive income for the year		262.593	313.015

The notes on pages 9 to 17 form an integral part of these financial statements.

HAMMY MEDIA LIMITED**STATEMENT OF FINANCIAL POSITION**

31 December 2018

	Note	2018 US\$	2017 US\$
ASSETS			
Current assets			
Receivables	9	809.194	53.509
Refundable taxes		18.054	18.054
Cash and cash equivalents	10	388.119	968.564
		1.215.367	1.040.127
Total assets		1.215.367	1.040.127
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1.476	1.476
Retained earnings		778.443	515.850
Total equity		779.919	517.326
Current liabilities			
Payables	13	435.261	520.582
Borrowings	12	187	2.219
		435.448	522.801
Total equity and liabilities		1.215.367	1.040.127

On 14 April 2020 the Board of Directors of Hammy Media Limited authorised these financial statements for issue.

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Mardiros Haladjian
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

HAMMY MEDIA LIMITED**STATEMENT OF CHANGES IN EQUITY**
Year ended 31 December 2018

	Share capital US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2017	1.476	202.835	204.311
Total comprehensive income for the year	-	313.015	313.015
Balance at 31 December 2017 / 1 January 2018	1.476	515.850	517.326
Total comprehensive income for the year	-	262.593	262.593
Balance at 31 December 2018	1.476	778.443	779.919

The notes on pages 9 to 17 form an integral part of these financial statements.

HAMMY MEDIA LIMITED**CASH FLOW STATEMENT**
Year ended 31 December 2018

	Note	2018 US\$	2017 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		262.593	313.015
Cash flows from operations before working capital changes		262.593	313.015
(Increase)/decrease in receivables		(755.685)	676.925
Decrease in payables		(85.321)	(3.022.905)
Cash flows used in operations		(578.413)	(2.032.965)
Tax paid		-	(133.805)
Net cash flows used in operating activities		(578.413)	(2.166.770)
Net decrease in cash and cash equivalents		(578.413)	(2.166.770)
Cash and cash equivalents:			
At beginning of the year		966.345	3.133.115
At end of the year	10	387.932	966.345

The notes on pages 9 to 17 form an integral part of these financial statements.

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. Incorporation and principal activities

Country of incorporation

The Company Hammy Media Limited (the "Company") was incorporated in Cyprus on 29 October 2009, as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 79 Spyrou Kyprianou Avenue, Protopapas Building, office 201, 3021 Limassol.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the internet advertisements and internet related services.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

Revenue comprises the invoiced amount for the sale of products net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

2. Accounting policies (continued)

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full ~~without material delay~~ to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the ~~risks and rewards of the asset, but has transferred control of the asset.~~

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

2. Accounting policies (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2018

Assets as per statement of financial position:

Receivable from related parties
Cash and cash equivalents

Total

	Loans and receivables US\$	Total US\$
Receivable from related parties	796.799	796.799
Cash and cash equivalents	<u>388.119</u>	<u>388.119</u>
Total	<u>1.184.918</u>	<u>1.184.918</u>

Liabilities as per statement of financial position:

Bank overdrafts
Payables to related parties

Total

	Borrowings and other financial liabilities US\$	Total US\$
Bank overdrafts	187	187
Payables to related parties	<u>432.511</u>	<u>432.511</u>
Total	<u>432.698</u>	<u>432.698</u>

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Financial risk management (continued)

3.1 Financial instruments by category (continued)

31 December 2017

Assets as per statement of financial position:

	Loans and receivables US\$	Total US\$
Cash and cash equivalents	968.564	968.564
Total	968.564	968.564

Total

Liabilities as per statement of financial position:

	Borrowings and other financial liabilities US\$	Total US\$
Bank overdrafts	2.219	2.219
Payables to related parties	517.704	517.704
Total	519.923	519.923

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2018 US\$	2017 US\$
Cash at bank	388.119	968.564
Receivables from related companies	796.799	-
Total	1.184.918	968.564

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2018	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	US\$	US\$	US\$	US\$	US\$	US\$
Bank overdrafts	187	187	187	-	-	-
Payables to related parties	432.511	432.511	432.511	-	-	-
	432.698	432.698	432.698	-	-	-

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

31 December 2017	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	US\$	US\$	US\$	US\$	US\$	US\$
Bank overdrafts	2.219	2.219	2.219	-	-	-
Payables to related parties	517.704	517.704	517.704	-	-	-
	519.923	519.923	519.923	-	-	-

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

3.5 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

Fair value measurements recognised in statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2018

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Receivable from related parties	-	-	796.799	796.799
Cash and cash equivalents	-	-	388.119	388.119
Total	-	-	1,184.918	1,184.918
Financial liabilities				
Bank overdrafts	-	-	187	187
Payables to related parties	-	-	432.511	432.511
Total	-	-	432.698	432.698

31 December 2017

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Cash and cash equivalents	-	-	968.564	968.564
Total	-	-	968.564	968.564
Financial liabilities				
Bank overdrafts	-	-	2.219	2.219
Payables to related parties	-	-	517.704	517.704
Total	-	-	519.923	519.923

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Financial risk management (continued)

3.5 Fair value estimation (continued)

Significant assumptions used in determining fair value of financial assets and liabilities

The fair values of financial assets and financial liabilities are determined as follows.

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optimal derivatives, and option pricing models for optimal derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

The Company reviews its receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

5. Revenue

Rendering of services

	2018	2017
	US\$	US\$
Rendering of services	281.815	352.257

6. Other income

Sundry operating income

	2018	2017
	US\$	US\$
Sundry operating income	74	-

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

7. Expenses by nature

	2018 US\$	2017 US\$
Cost of services sold	6,377	24,419
Auditors' remuneration	2,614	2,878
Auditors' remuneration - prior years	-	(1,488)
Accountancy fees	-	2,384
Other professional fees	3,904	2,288
Other expenses	490	24,319
Total expenses	13,385	54,800

8. Net finance (costs) / income

	2018 US\$	2017 US\$
Exchange profit	-	23,979
Finance income	-	23,979
Exchange losses	(1,297)	-
Sundry finance expenses	(4,614)	(8,421)
Finance costs	(5,911)	(8,421)
Net finance (costs) / income	(5,911)	15,558

9. Receivables

	2018 US\$	2017 US\$
Receivables from related companies (Note 14)	796,799	-
Deposits and prepayments	5,818	44,045
Refundable VAT	6,577	9,464
809,194	53,509	

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 3 of the financial statements.

10. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2018 US\$	2017 US\$
Cash at bank	388,119	968,564
Bank overdrafts (Note 12)	(187)	(2,219)
387,932	966,345	

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

11. Share capital

	2018 Number of shares	2018 US\$	2017 Number of shares	2017 US\$
Issued and fully paid				
Balance at 1 January	1.000	1.476	1.000	1.476
Balance at 31 December	1.000	1.476	1.000	1.476

The authorised share capital of the Company is 1.000 ordinary shares of €1 each.

12. Borrowings

Current borrowings

	2018 US\$	2017 US\$
Bank overdrafts (Note 10)	187	2.219

The carrying amounts of borrowings approximate their fair values.

13. Payables

Payables to shareholders (Note 14)
Accruals

	2018 US\$	2017 US\$
432.511	432.511	517.704
2.750	2.750	2.878
435.261	435.261	520.582

The fair values of payables due within one year approximate to their carrying amounts as presented above.

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Receivables from related companies (Note 9)

The nature of the relation with the related companies is common control. The receivables from related companies as at 31 December 2018 of US\$796.799 (31 December 2017: US\$Nil), bear no interest and have no specified repayment date.

14.2 Payables to shareholders (Note 13)

The payables to shareholders as at 31 December 2018 of US\$432.511 (31 December 2017: US\$517.704), bear no interest and have no specified repayment date.

15. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

HAMMY MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

16. Commitments

The Company had no capital or other commitments as at 31 December 2018.

17. Operating environment of the Company

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

18. Events after the reporting period

With the recent and rapid development of the Coronavirus disease COVID19 outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for the need for additional provisions in case the period of disruption becomes prolonged.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2018.

Independent Auditor's Report on pages 2 to 4

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